



Retiree Benefit *Update*

Department of Administration, Boise Idaho

July, 2003

To Assist State Retirees With High Prescription Drug Expenses:

Additional Prescription Drug Option Made Available for FY 04 Medical Plan Year

In May, the Department of Administration announced significant changes in the Retiree Medical Plan for FY 2004.

Evaluations of actual Plan costs in FY 02 and FY 03, and the expected costs in FY 04, indicated that retirees would be facing a **36 percent increase** in their healthcare premiums.



To address this anticipated increase, and as explained in the recent May-June *Retiree Benefit Focus* newsletter, **the FY 04 Plan was developed to minimize as much as possible the financial impact on the greatest number of retirees.** Since prescription drug costs make up the largest component of the retiree plan, **implementing a \$1,750 annual limit was a viable option to keep premiums unchanged.**

Regrettably, the length of this year's Legislative Session, and existing deadlines with PERSI, limited the full development of alternative Plan designs, and the timing of communicating changes to retirees.

Since the original Plan changes were announced last month, feedback has been received from retirees affected by the prescription drug cap. The Office of Insurance Management has been working closely with Regence BlueShield to develop alternatives, and **effective July 1, 2003, will provide an additional "no cap" prescription drug option, to address retirees' concerns. Please note:**

THIS OPTION IS FOR ONE YEAR ONLY!

We appreciate your comments, input and patience as this process continues.

The State will be re-marketing both the active and retiree Plans for FY 2005, which will most likely result in further Plan design changes.

Monthly Premiums 'No Cap' Prescription Drug Option (Eff. 7/1/03)

	Single	Two-Party	Family
No Medicare	\$398.000	\$721.00	\$886.00
One On Medicare*	\$223.00	\$621.00	\$786.00
Two On Medicare*	N/A	\$435.00	\$599.00

Monthly Premiums, Standard Plan \$1,750 Prescription Drug Cap (Eff. 7/1/03)

	Single	Two-Party	Family
No Medicare	\$333.00	\$591.00	\$691.00
One On Medicare*	\$158.00	\$491.00	\$591.00
Two On Medicare*	N/A	\$305.00	\$404.00

*requires both parts A and B

Additional Rx Option Details

Effective July 1, 2003 a prescription drug option will be available as an additional choice in the Retiree Medical Plan. This option will have the same medical benefits and prescription co-pays as the basic capped plan described previously, but with no cap on prescriptions.

See comparative rate charts above

The previously announced \$250 and \$500 dollar buy-up options will remain in place. **The \$750 buy-up option will be automatically replaced with the 'no cap' plan.**

The premiums will be adjusted as follows:

\$250: \$20 per covered member per month
\$500: \$41 per covered member per month

UPDATED ELECTION FORM ON BACK PAGE



State of Idaho
Department of Administration
Office of Insurance Management
650 West State Street, Room 100
Boise, Idaho 83720-0035

**Important 'Follow-Up' Information
About Your Health Plan Coverage**

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This publication presents general benefit information. In the event of any conflict between the information in this publication and the Plan provisions, the Plan documents and insurance contracts will govern.

Consider Your Options and Reply Before July 18, 2003 ...

All retirees, including those who previously selected a prescription buy-up option prior to the earlier June 4 deadline, may elect or re-designate their prescription service options outlined below.

Retirees who previously elected the **\$750 annual buy-up option** offered as part of the original plan will automatically be enrolled in the 'no cap' option.

Retirees who previously made an election for either the **\$250 or \$500 annual** additional prescription service will automatically be continued in those options. However, if you would like to elect the 'no cap' option, you may do so by completing the election form below.

All options will be effective **July 1, 2003**. If you have not yet made an election for one of the additional prescription service options, and desire to make such an election now, you may do so. If you select the 'no cap' option, your premium will be collected August 1.

Update: Medicare Supplemental Options ...

As mentioned in your previous *Retiree Benefit Focus* newsletter, the Department is working closely with the American Association of Retired Persons (AARP); Blue Cross of Idaho; and BlueShield of Idaho, to provide you a number of Medicare Supplemental options. These options would be an alternative to your traditional Plan. This process is continuing and we will keep you informed.

Completed election forms are to be returned to the Office of Insurance Management **by July 18, 2003**. If you want to change your current enrollment election, please make your selection by checking the appropriate box in the form below.

Return by mail (**no later than July 18, 2003**) to:

**Department of Administration
Office of Insurance Management**
650 West State Street, Room 100
Boise, ID 83720-0035 *Thank You!*



Name: _____ SS#: _____

Election Form: Retiree Medical Plan Options Now Available	Select One
Standard Medical Plan with \$1,750 Annual Prescription Cap	<input type="checkbox"/>
Standard Medical Plan with \$2,000 Annual Prescription Cap (\$250 service buy-up)	<input type="checkbox"/>
Standard Medical Plan with \$2,250 Annual Prescription Cap (\$500 service buy-up)	<input type="checkbox"/>
Standard Medical Plan with 'No-Cap' Prescription Option	<input type="checkbox"/>

Questions, Comments:

Office of Insurance Management:
1-800 531-0597 or
(208) 332-1860; email:
ogi@adm.state.id.us

Regence Blue Shield
1-800 632-2022 or
www.id.regence.com